Public Issue of Shares by Manu Oil Industries

4590. SHRI CHATURANAN MISHRA:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a group of company named Manu Oil Industries have vanished barely a few weeks after it came out with a nation-wide advertising campaign to announce its public issue of shares amounting to Rs. 5.6 crores;

(b) if so, the details thereof; and

(c) what is the amount of money collected by its underwriters the Punjab National Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) M/s. PNB Capital Services Limited, one of the lead managers to the proposed public issue of equity capital of Rs. 587 lakhs by M/s. Manu Industries Limited have reported that the promoters of the company are not available at the registered office of the company for clarifications.

(c) M/s. Manu Industires Limited have not yet made public issue of equity capital. Hence the question of collecting funds from underwriters of the issue does not arise at this stage.

Foreign banks to open more branches

4591. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have granted permission to top foreign banks for setting up new branches in different parts of the country; and

(b) if so, what are the names of such banks and the details of places where new branches will be set up?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) reserve Bank of India have reported that they have granted approval for the opening of additional branches by the following foreign banks:—

Name of foreign bank	Centre where branches has been allowed
1. ANZ Grindlays Bank	Ahmedabad
2. Citi Bank	Hyderabad
3. American Express Bank	Madras
4. Standard Chartered Bank	Pune
5. Honkong and Shanghai Banking Corporation	Bangalore
6. Abn-Amro Bank	Madras
7. Credit Lyonnais	New Delhi
8. Societe Generale	New Delhi

Removal of RBI ceiling on release of foreign exchange

4592. SHRI SURESH KALMADI:
SHRI RAMDAS AGARWAL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has removed the existing ceiling and permitted the authorised dealers to release foreign exchange without any limit for the import of capital goods;

(b) whether it is also a fact that all the restrictions on the utilisation of foreign currency loans and credit lines

with financial institutions for financing import of capital goods have been removed;

(c) if so, what are the reasons therefor; and

(d) by which date the above relaxations are likely to be enforced and what benefits are likely to accrue as a result thereof?

THE MINISTER OF STATE OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) Yes, Sir.

(c) and (d) The above steps have been taken to facilitate expeditious release of foreign exchange for import of Capital Goods without any ceilings. The liberalisation is justifiable in view of the introduction of the Liberalised Exchange Rate Management System which introduces a self balancing mechanism for equilibrating the demand and supply of foreign exchange without the need for bureaucratic scrutiny on a case by case basis aimed at containing the pressure of demand.

Abolition of Section 80CCA and 80CCB of Income Tax Act

4593. SHRI MURLIDHAR CHANDRAKANT BHANDARE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a sound economic policy to increase revenue from Direct taxation by deleting Section 80CCA and 80CCB for the current assessment year;

(b) whether this will not lead to surplus funds coming into the hands of the tax payer thereby leading to the increase in the inflation;

(c) if so, whether Government would consider increasing the period of deposit under Section 80CCA and 80CCB from three years to five years; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The Finance Bill, 1992 seeks to replace the deductions allowed from the gross total income for amounts deposited in the National Savings Scheme or in notified Annuity Plan of the LIC or amount invested in Equity Linked Saving Scheme of any Mutual Fund under sections 80CCA and 80CCB, by a system of tax rebates under section 88 from the tax payable by the assessee. The system of tax rebate is more equitous than a deduction from the total income. Under the earlier system, a taxpayer in the higher income bracket would get a higher tax benefit than a person in the lower income bracket in respect of the same amount invested in the above schemes. Shifting these schemes to the regime to tax rebate will remove the aforesaid inequity.

(b) No, Sir. It is expected that the surplus funds would be invested in productive forms, including saving schemes entitled to tax under section 88 of the Income-tax Act.

(c) and (d) Since the proposal is to withdraw the reliefs under section 80CCA and 80CCB, answers to these parts of the question do not arise.

Tax exemption on foreign exchange earnings of project exports

4594. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Federation of Indian Export Organisations and Engineering Export Promotion Council have urged Government to provide 100 per cent tax exemption on foreign exchange earnings from project exports;

(b) if so, what is the reaction of Government in this regard;

(c) whether in view of the encouragement to exports, Government propose to extend section 80 [illegible] benefits to all those who earn foreign exchange; and

(d) if so, what are the details of the steps Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) to (d) 100 per cent exemption from